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SECURITY INFORMATION

AIR

W24-527

2 OCT 52

Chief of Station, Frankfurt

INFO: W24XX - Frankfurt

Chief, 22

Operational/Bureau  
GIOHARD's Contract

INFO: [ ] Report on GIOHARD's Contract, 17 September 1952

INFO: INFOXX - Munich

1. [ ] brought back [ ] report on contract with GIOHARD with the enclosures, and Headquarters has studied it with a great deal of interest.

2. Headquarters appreciates [ ] efforts in handling GIOHARD and keeping him going mentally and physically over a protracted period of time. We also feel that [ ] had explained Headquarters' position to GIOHARD quite correctly regarding the amount of compensation under a new contract, i.e., that the compensation paid to our associates is according to the personal usefulness, plus the individual risks involved. When the time comes that GIOHARD will perform more extensive functions, Headquarters has plans to increase his compensation, provided of course that GIOHARD's performance and the quality of services rendered will warrant it.

3. As to GIOHARD's wife's allegations about the other American DPs assuming power in the U.S., it should be pointed out that hardly any of them are earning \$600 per month as white collar workers. DPs, who earn \$400 a month in the U.S., are mostly engaged in various fields of physical labor, which we feel, GIOHARD would not like to perform at his age. Furthermore, many wives of professional American DPs are working in order to supplement or augment their husbands incomes.

4. Headquarters feels that [ ] as well as GIOHARD should realize that \$400 annual compensation for a man working in Germany represents quite a substantial income, and GIOHARD should feel rather contented if not happy about it, since in all fairness to Headquarters, we have been quite generous in our considerations.

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5. Regarding GIORDANO's feelings about economic security for his family, we have made an arrangement with the General Counsel, to provide him with \$7000 disability and death benefit insurance policy, the content of which is attached to his new contract. After his arrival into the U.S., and procurement of his first citizenship papers, he will be in a position to take out a more substantial insurance policy, at a very nominal cost to him.

6. It should be pointed out to GIORDANO, that while we sympathize with him in his feelings about the financial security of his family, due to the circumstances beyond his and our control, he should realize that there are very few Italians, as well as Americans, who are in a position to provide themselves or their families with an extensive economic security. GIORDANO's son will soon complete American college, and should be in a position to take care of himself, and, if need be, to provide some support to his family.

7. As to the "status" situation [ ] explanation to GIORDANO was quite correct. An "employee" of an American government must be a citizen of the U.S. for at least 5 years. Further more, GIORDANO is not working "for", but "with" the U.S. government under U.S. control and instructions, for which he receives a consideration of \$4200 while in Germany, which provides GIORDANO with the opportunity to perform his patriotic duty as an American officer, with the aid and assistance of the U.S., due to the fact that U.S. interests happen to be sympathetic to his cause. As stated above, after the procurement of his first U.S. citizenship papers, while still associated with the U.S. government, he will have an opportunity to provide his family with more extensive life insurance coverage.

8. Term. The 30 day termination provision works for both sides. Although we have spent a considerable amount of funds on GIORDANO so far, we most certainly would not like to have him working with us against his will should he decide to disassociate himself. Thus we are also taking a risk. Likewise, we cannot underwrite anyone's connections with us unconditionally for an indefinite time. Viewing the world outlook and its relations with GIORDANO's activities, it is quite probable that his association with us may be of a considerable duration, under mutually satisfactory circumstances. Further more, we have spent a great deal of time and effort in helping his family to emigrate into the U.S., and are continuing our endeavors to expedite his emigration into U.S. On the last point we expect to get a final decision before Christmas. We do hope, but cannot promise definitely that GIORDANO will be able to see his family by next Christmas. It should be possible to make it clear to GIORDANO that the U.S. government can not only within the framework of the immigration laws passed by Congress. Headquarters has requested covert security clearance for GIORDANO, as soon as other government agencies will approve our immigration application under Section 5, Public Law 110 he will be brought into the U.S., so that he can live with his family.

9. Termination. As you know it is the Headquarters policy to provide all practical assistance to the people who have worked satisfactorily with us. In any event, when GIORDANO establishes his residence in the U.S., he and his family will be subject to the same provisions of social security as other people living in the U.S. It would be more constructive to direct his mind from the economic worries of old age and unemployment towards the importance of the patriotic tasks at hand and ahead, for which purpose he associated himself with us.

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10. Communication SECURITY INFORMATION

- a. GIORGANO's salary for the time being is to remain at \$350 a month or \$4200 per annum. After he has undertaken the task of training agents in the U.S., we intend to increase his compensation to \$4800, if his performance proves satisfactory to Headquarters.
- b. Headquarters suggest that GIORGANO's housing arrangements continue as up to now for the time of his stay in your area, without specifying it in the contract.
- c. Points a, d, e, and g are explained above, and need no further elaborations.
- f. We are enclosing GIORGANO's contract with the disability and death benefits insurance provisions for his and your signature.

11. On point 10 in [ ] amercanization of 17 September, Headquarters feels that the General Counsel is acting in accordance with directives and requirements imposed upon it from above. Therefore it is desirable that the agents be conditioned psychologically into accepting the terms of the contracts, as submitted by the General Counsel, rather than for us to induce the General Counsel to change its established policy.

12. You have handled GIORGANO very well over an extended period, and we hope that you will succeed in keeping him in line for 2 or 3 months more, by which time his emigration case will be settled, and Headquarters will have IOB ARMSK Project going with GIORGANO's participation.

Attachment: as noted above

APPROVED: \_\_\_\_\_

2 Oct 1952

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